

**City of Fremont**  
**Series A (2003) and Series B (2005) and Series C (2009)**  
**General Obligation Bonds**  
**(Fire Safety Project)**  
**Authorized by Voters in Election of 2002**  
Continuing Disclosure Annual Report  
Fiscal Year 2009/10  
(Per SEC Rule 15c2-12(b)(5))

**\$10,000,000**  
City of Fremont (Alameda County, California)  
General Obligation Bonds,

Series A -- CUSIP Numbers 357113--  
Final Maturity: August 1, 2027

AL3*	AM1*	AN9*	AP4*	AQ2*
AR0*	AS8*	AT6	AU3	AV1
AW9	AX7	AY5	AZ2	BA6
BB4	BC2	BD0	BE8	BF5
BG3	BH1	BJ7	BK4	BL2

**\$25,000,000**  
City of Fremont (Alameda County, California)  
General Obligation Bonds,

Series B -- CUSIP Numbers 357113--  
Final Maturity: August 1, 2034

BP3*	BQ1*	BR9	BS7	BT5
BU2	BV0	BW8	BX6	BY4
BZ1	CA5	CB3	CC1	CD9
CE7	CF4	CG2	CH0	CJ6

**\$16,000,000**  
City of Fremont (Alameda County, California)  
General Obligation Bonds,

Series C -- CUSIP Numbers 357113--  
Final Maturity: August 1, 2038

CN7*	CP2	CQ0	CR8	CS6
CT4	CU1	CV9	CW7	CX5
CY3	CZ0	DA4	DB2	DC0
DD8	DE6	DF3	DG1	DH9
DJ5	DK2	DL0		

\* Bonds retired at their scheduled payment dates, as of March 31, 2011.

March 31, 2011

Continuing Disclosure Annual Report  
For the City of Fremont  
General Obligation Bonds Series A (2003), Series B (2005) and Series C (2009)  
Fiscal year 2009/10

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This report contains certain information required to be filed annually per SEC rule 15c2-12(b)(5) (the "Rule") by the City of Fremont (the "City"). The Rule is applicable to the General Obligation bonds issued by the City of Fremont. The City has issued three series of its general obligation bonds pursuant to the authority granted by voters at the November 2002 election. Series A was issued on July 17, 2003, in the aggregate sum of \$10,000,000 (the "Series A GO Bonds"). Series B was issued on April 14, 2005 in the aggregate sum of \$25,000,000. (the "Series B GO Bonds"), and the third and final series with a face amount of \$16,000,000 was issued on February 11, 2009 (the "Series C GO Bonds"). Collectively, all three series are referred to as, "the Bonds."

SEC rule 15c2-12(b)(5) requires that an issuer undertake in a written agreement or contract, for the benefit of holders of the securities issued, to file the following:

- i. Certain financial and Bond information as presented in the Continuing Disclosure Certificates
- ii. Audited financial statements
- iii. Notice of certain enumerated significant events
- iv. Notice of any failure to provide such annual financial information as agreed

In compliance with SEC rule 15c2-12(b)(5), the City signed Continuing Disclosure Certificates for the Series A Bonds on July 17, 2003, and for Series B Bonds on April 14, 2005 and for the Series C Bonds on January 28, 2009. These certificates require the City to make the various informational and event disclosures listed above either annually or within a reasonable time after their occurrence. These disclosures must be filed with the Electronic Municipal Market Access system (EMMA) operated by the SEC, and will include:

1. The City's audited financial statements were prepared in accordance with generally accepted accounting principals as promulgated and as applied to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law. These financial statements include operating data with respect to the City for the fiscal period reported upon.  
  
→ <http://www.fremont.gov/index.aspx?NID=527>
2. The principal amount of bonds outstanding as of June 30, 2010:  
  
→ **Series A GO Bonds: \$8,770,000**  
→ **Series B GO Bonds: \$24,490,000**  
→ **Series C GO Bonds: \$16,000,000**

The following operating data disclosures are for the City of Fremont for Fiscal Year 2009/10. These disclosures present property assessed valuations and tax collections in formats substantially similar to those formats used in the corresponding tables and charts within the official statements for each bond series.

1. **Largest Taxpayers.** The City's twenty largest secured property taxpayers based on assessed value, based on information provided by the Alameda County Assessor:

→ 1.	New United Motor Manufacturing	\$1,014,084,630
2.	Catellus Development Corporation	453,136,570
3.	John Arrilago & Richard Peery	244,198,144
4.	Sobrato Interests II LP	207,628,493
5.	Transcontinental Nthrn California Inc	189,385,948
6.	SCI LP I	149,170,439
7.	BNP Paribus Leasing Corporation	74,108,094
8.	HUB Bayside Properties	57,364,721
9.	AMB Property LP	55,950,000
10.	Northern California Industrial Portfolio Inc	55,947,617
11.	Cisco Technology Inc	45,201,300
12.	Stephens and Stephens Landing II LLC	44,399,875
13.	JER Bayside LLC	43,256,390
14.	Sysco Food Services San Francisco Inc	41,517,200
15.	Mept Northport Business Park I LLC	40,216,058
16.	Security Capital Industrial Trust	38,522,087
17.	Dharam P and Vijay Salwan Trust	38,513,143
18.	Bit Holdings Sixty Seven Inc	35,778,196
19.	ISE Labs Inc	31,732,640
20.	Legacy Partners I Fremont	31,296,797

2. **Assessed Valuation.** The City's five-year history of gross assessed values based on information provided by the Alameda County Auditor-Controller is as follows:

→	<u>Fiscal Year</u>	<u>Gross Assessed Value</u>
	FY09/10	\$34,669,577,932
	FY08/09	34,728,215,000
	FY07/08	33,010,284,000
	FY06/07	30,944,045,000
	FY05/06	28,849,724,000

3. **Tax Levies, Collections and Delinquencies.** The City's five-year history of secured tax charges and year-end delinquencies based on information provided by the Alameda County Auditor-Controller is as follows:

<u>Fiscal Year</u>	<u>Taxes Levied</u>	<u>Year End Delinquencies</u>
FY09/10	\$43,616,959	\$ 386,889
FY08/09	44,177,923	854,554
FY07/08	44,399,799	3,301,381
FY06/07	42,070,561	3,651,774
FY05/06	37,397,322	3,596,857

4. **Tax Rates.** The five-year tax rate history within the City based on information provided by California Municipal Statistics, Inc. is shown below:

	City Direct	Overlapping Rates			
	Rate				Total
	General				Direct
Fiscal	Obligation		School	Special	
Year	Debt Service	County	District	Districts	Rate
2006	0.0079	1.0000	0.0626	0.0154	1.0859
2007	0.0044	1.0000	0.0520	0.0246	1.0810
2008	0.0042	1.0000	0.0610	0.0402	1.1054
2009	0.0079	1.0000	0.0594	0.0453	1.1126
2010	0.0107	1.0000	0.0622	0.0293	1.1022

Note: The City Direct Rate rate shown in the first rate column above is applicable to the Bonds.

#### **Reporting of Significant Events**

Pursuant to the provisions of the Continuing Disclosure Certificates, the City shall give, or cause to be given, notice of the occurrence of any of the following events, if material:

- 1) Principal and interest payments delinquencies.
- 2) Non-payment related defaults.
- 3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- 4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- 5) Substitution of credit or liquidity providers, or their failure to perform.
- 6) Adverse tax opinions or events affecting the tax-exempt status of the security.
- 7) Modifications to rights of security holders.
- 8) Bond calls.
- 9) Defeasances.
- 10) Release, substitution, or sale of property securing repayment of the securities.
- 11) Rating changes.

→ The Bonds are insured by municipal bond insurance issued by MBIA (Series A) and Financial Guaranty Insurance Company (FGIC) (Series B). Series C was issued without bond insurance.

→ Standard and Poors affirmed its AA+ bond rating and the underlying (SPUR) rating as of December 15, 2010, but downgraded its outlook from “stable” to “negative”.

→ Except as disclosed above, there are no significant events known by the City to have occurred relating to either of the Bonds and the City is unaware of any instances of failure to provide annual financial information as agreed.

Dated: March 31, 2011

City of Fremont



By Harriet V. Commons,  
Finance Director/Treasurer  
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## APPENDIX A

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*City of Fremont  
Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2010*

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